



Texas Department of Transportation

VEHICLE TITLES AND REGISTRATION DIVISION • AUSTIN, TEXAS 78779-0001 • (512) 465-7611

August 24, 2001

REGISTRATION AND TITLE BULLETIN # 114-01

TO: All County Tax-Assessor Collectors

SUBJECT: Acceptable Use of Power of Attorney Forms in Conjunction with Odometer Disclosure

PURPOSE

To inform counties of the procedures for use of a nonsecure Power of Attorney (POA) Form, VTR-271, Power of Attorney to Transfer Motor Vehicle and a secure POA Form, VTR-271-A, Power of Attorney for Transfer of Ownership to a Motor Vehicle in conjunction with odometer disclosure. (See attached.)

DETAILS

Recently, the Vehicle Titles and Registration (VTR) Division has responded to many questions regarding the use of the non-secure POA (Form VTR-271) to appoint a title service or a dealer POA to execute transfer documents involving a vehicle that is not exempt from odometer disclosure requirements. One of the main issues regarding a title service acting on behalf of the retail seller or purchaser is whether or not the title service may act as POA, if receiving compensation from either the buying or selling dealer for filing the dealer's title transactions. Another issue involves POA appointment of a dealer using the Form VTR-271, when the vehicle being sold or purchased does not meet odometer disclosure exemptions.

COUNTY ACTIONS

When accepting title transactions supported by POA forms on vehicles that are not exempt from odometer disclosure requirements, please observe the following instructions:

- **ASSIGNMENT OF TITLE INVOLVING A TITLE SERVICE AND A BUYING DEALER:**

If the title service is signing for only the seller and not the buying dealer, the transaction is acceptable. However, if the title service is signing for the seller and the buying dealer, this is in direct conflict with *Section 580.5(h), Part 580, Code of Federal Regulations, Relative to the Truth in Mileage Act* which reads "no person shall sign an odometer disclosure statement as both transferor and transferee in the same transaction, unless permitted by *Section 580.14, Part 580, Code of Federal Regulations, Relative to the Truth in Mileage Act.*" In such situations, if the secure Power of Attorney cannot be utilized, the seller must appoint a POA that is not an employee or an agent of the buying dealer.

- **REASSIGNMENT OF TITLE INVOLVING A TITLE SERVICE AND A SELLING DEALER:**

If the selling dealer signs as a seller, and a title service signs as a POA on behalf of the retail purchaser, the transaction is acceptable. However, if the title service is signing for both the selling dealer and the retail purchaser, the retail purchaser must appoint a POA that is not an employee or an agent of the selling dealer.

- **ASSIGNMENT OF TITLE TO A BUYING DEALER:** Unless Part A of a secure POA (Form VTR-271-A) has been completed, a buying dealer may not sign for both the seller and the buyer.

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- **REASSIGNMENT OF TITLE BY A SELLING DEALER:** A selling dealer may not sign for both the seller and the buyer, unless Parts B and C of Form VTR-271-A have been completed. Parts B and C may not be used, if Part A is not completed. Additionally, Parts B and C may not be used, if either the title is no longer held by the lienholder, or if the certified copy of title has been issued.
- **INDIVIDUAL BUYER/SELLER AND BUYER/SELLER DEALERS:** A title service can sign for an individual buyer or seller in those instances when the title service is preparing paperwork for a buyer or seller dealer as long as the title service does not sign for the buyer or seller dealer.

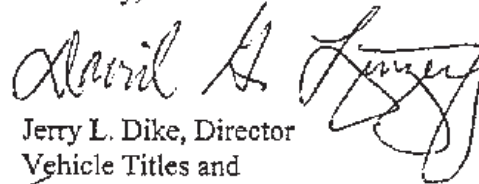
DEPARTMENT ACTION

The Vehicle Title Manual will be revised to address proper usage of non-secure and secure POAs (Forms VTR-271 and VTR-271-A).

CONTACT

If there are any additional questions, please contact your local Vehicle Titles and Registration Division Regional Office. Thank you.

Sincerely,



Jerry L. Dike, Director
Vehicle Titles and
Registration Division

JLD:ps

Attachments

cc: Dealer Associations
Insurance Associations
TxDOT Motor Vehicle Division
VTR Administration